MEMORANDUM FOR: Director of Central Intelligence

THRU   : Deputy Director (Intelligence)

SUBJECT   : Terms of Reference of Intelligence Working Group

1. PROBLEM.—To provide terms of reference for the Intelligence Working Group to enable it to furnish intelligence support to the Economic Defense Advisory Committee (EDAC).

2. FACTS BEARING ON THE PROBLEM.—The essential facts are stated in the preamble to the proposed terms of reference attached as Tab A. Attached as Tabs B and C, respectively, are the letters of the Director for Mutual Security and the Secretary of State requesting the formation of the Intelligence Working Group. The letter of the DCI in reply, dated 2 May 1952, is attached as Tab D.

A draft of the terms of reference was submitted to the IAC on 26 June 1952. At that time action was postponed at the request of the Department of State. Since then the terms have been revised and approved at the working level.

3. DISCUSSION.—The Intelligence Working Group has begun to function and has held seven meetings to date. It cannot function fully and effectively, however, without the authority and direction contained in the proposed terms of reference attached. These terms of reference were approved by the Intelligence Working Group. The AFOIN representative reserved his position, taking exception to the words "for direct intelligence support of the Economic Defense Advisory Committee," in the first sentence of the preamble, and to the words "to develop and furnish intelligence," under "purpose".

4. ACTION RECOMMENDED.—It is recommended that the attached terms of reference be approved and issued by the IAC as a directive.

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D/I/R&M   ███████ ra (28 July 1952)

ROBERT AMORY, JR.
Assistant Director
Research and Reports

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ATTACHMENTS:
   Tab A — Terms of Reference of the Intelligence Working Group
             for Support of the Economic Defense Advisory Committee
   Tab B — Letter from Mr. Harriman to General Smith (Copy)
   Tab C — Letter from Mr. Acheson to General Smith (Copy)
   Tab D — Letter from General Smith to Mr. Harriman (Copy)

ACTION BY APPROVING AUTHORITY:

                                        Date _____

Approved (disapproved), exceptions, if any:

                                        Signature _____
                                                        Director

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